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RUEKJCS/JOINT STAFF WASHDC IMMEDIATE  
RUEHGV/USMISSION GENEVA IMMEDIATE 0865  
RUEHVEN/USMISSION USOSCE IMMEDIATE 2858  
RUCNDT/USMISSION USUN NEW YORK IMMEDIATE 2243  
RUEHNO/USMISSION USNATO BRUSSELS BE IMMEDIATE  
RUEHBS/USEU BRUSSELS IMMEDIATE  
RUEHLMC/MILLENNIUM CHALLENGE CORP IMMEDIATE  
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C O N F I D E N T I A L SECTION 01 OF 03 BISHKEK 000288

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DEPARTMENT FOR SCA/CEN

E.O. 12958: DECL: 03/26/2018  
TAGS: [PREL](#) [PGOV](#) [MARR](#) [KG](#)  
SUBJECT: KYRGYZ PRESIDENTIAL ADVISOR COMMENTS ON  
POST-ELECTION POLITICS

REF: A. BISHKEK 256  
[1](#)B. BISHKEK 195

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Classified By: Ambassador Marie L. Yovanovitch, reasons 1.4 (b) and (d)  
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[1](#)1. (C) Summary: On March 13, Ambassador met with political consultant and Presidential advisor Valentin Bogatyrev for a wide-ranging discussion on economic reform, politics and the President's health (ref A). Bogatyrev described an economic reform process that is lagging and incompetent decisions on the part of the government that could give the Opposition a break they could never have engineered for themselves. Bogatyrev was less confident about the course the country was on and more fearful about the possible political backlash, then he has been in previous conversations. In noting that "any random event could cause a problem," Bogatyrev seemed to imply that Kyrgyzstan is not predictable, and that the political structure is more fragile than it appears. End Summary.

SLOW GOING ON ECONOMIC REFORM  
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[1](#)2. (C) Bogatyrev has been telling us for some time that President Bakiyev has no choice, but to move forward on economic reform and market solutions to Kyrgyzstan's woes. If he doesn't, Bogatyrev believes that Bakiyev will be a one-term president, because the country's economic difficulties are becoming increasingly acute. Bogatyrev said he was very concerned with the slow movement on economic reforms.

[1](#)3. (C) Bogatyrev has previously told us that a small group, including himself, had prepared a package of approximately 40 draft laws in December. The plan had been that in February, these laws, which also included some laws on privatization,

would be passed quickly by a compliant parliament. Bogatyrev expressed some frustration that the parliament, whose role, he told us in January, would be limited to voting "da," was asking questions, raising concerns, and to date had only managed to pass one of the laws. (Note: Presidential Economic Advisor Azamat Dikambayev provided a detailed comments supporting the draft laws, known as the "New Economic Policy," in a March 26 press interview. End Note.)

14. (C) Even worse, said Bogatyrev, government apparatchiks were getting in on the act. Where Bogatyrev and his group had tried to eliminate or minimize the role of the government, the bureaucracy, nervous about losing control and losing their jobs, was writing its role back into the legislation. For example, he said, who would buy government property if he could not sell it later without obtaining government approval? Bogatyrev shared that Presidential Chief of Staff Medet Sadyrkulov would call a government meeting and crack heads in order to jumpstart economic reform. (Comment: News reports corroborated this, showing Sadyrkulov, that very afternoon, calling Ministers to account. End Comment.)

#### PRIVATIZING THE BISHKEK ENERGY ASSETS

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15. (C) According to Bogatyrev, the State Committee on Property (Goskomimuchestvo) is doing a survey of the three Bishkek energy assets, Severelektro, TETS, and the city thermal heating network. He said, by April 10, the survey will be completed and a tender let. By mid-May, Bogatyrev claimed the assets would be sold. He acknowledged that the process was rapid, but claimed that the sale was "already too late." The energy problems that Kyrgyzstan suffered this winter would occur again; the only solution was investment in

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the infrastructure, and the only way to get the money for repairs and coal was through a private owner. The government simply does not have the \$90MM it will take. A quicker sale would bring a quicker solution, so that next winter's weather would not represent a threat. Bogatyrev also said that there is some consideration being given to offering a \$44MM per year subsidy to the new owner of TETS, so that prices will not be raised. Another solution might be to only raise the prices for commercial buildings. (COMMENT: Energy Minister Balkibekov told us recently that commercial rates would rise at a different rate than individual rates, but all rates would rise. (ref B) END COMMENT.)

#### POLITICAL CONCERNS ALSO

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16. (C) Turning to politics, Bogatyrev dismissed the Opposition as inept and declared, "They either can't do anything or won't do anything." However, he is concerned that the original economic reform schedule had legislation and privatization moving forward early in the year, well before the expected shocks of higher energy and food prices hit the public in the late spring, but now everything is converging. According to Bogatyrev, the push for painful economic reforms will occur as the population is experiencing higher prices during the spring, when the Opposition is historically strongest and most vocal. He noted that the Opposition has already made opposition to privatization their one-item platform and that it is a popular platform, even among pro-government Ak Zhol deputies.

17. (C) Bogatyrev also noted other government missteps that could play into the hands of the Opposition: 1) The decision by Bishkek City Mayor Daniyar Usenov to ban leased lands and immediately sell all city land; this has many businesspeople up in arms and organizing, since a large percentage of land is leased and making such a move precipitously will incur major hardship. 2) The government decision to cut electricity in order to conserve water at the Toktogul

Reservoir, which is causing anxiety as Kyrgyz wonder whether their electricity will be cut and by how much. 3) The announcement by the head of Kyrgyzlift that 140 elevators in city apartment buildings would be put out of commission on March 17, because they have reached the end of their service life; Bogatyrev noted that March 17 is the sixth anniversary of the Aksy events and if the elevators were really sidelined Opposition leader Azimbek Beknazrov would have many apartment-dwellers to add to his demonstration. (COMMENT: In the event, there was no demonstration. END COMMENT.)

18. (C) Bogatyrev claims that he told Presidential Chief of Staff Medet Sadyrkulov that Kyrgyz bureaucrats are doing the government in. He said that, "Any random event could cause a problem," but the accumulation of mistakes was making him "afraid." Bogatyrev said he told Sadyrkulov that given the incompetence of the government, the Opposition, which remains divided as each leader tries to position himself for the Presidency, doesn't need to be either very united or very smart.

#### PROBLEMS IN THE HOUSE OF AK ZHOL

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19. (C) All is not well with pro-presidential party Ak Zhol either, according to Bogatyrev. He said that Sadyrkulov and Presidential brother Janeesh Bakiyev are fighting over control of the Ak Zhol Party. On April 4, there will be a party congress, where it will become clearer who has the upper hand. Among Ak Zhol parliamentary deputies, there are splits among Speaker Adakhan Madumarov, Ak Zhol faction leader Elmira Ibragimova, who is aligned with Sadyrkulov, and Deputy Speaker Cholpon Bayekova. Bogatyrev said the fighting

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was personality driven and over control of resources. "It will take time for a party that was artificially created" to find its way, he said.

#### LEGACY? WE'LL THINK ABOUT IT LATER

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110. (C) Bogatyrev said that his next task is the legacy issue. He says that he told Bakiyev that he needs to turn his attention to what the country will look like in 2015. What kind of a legacy will he leave his country? Bogatyrev said that as soon as the economic reform is finished, it will be time, once more, to think about political reform, so that Kyrgyzstan becomes a true democracy. According to Bogatyrev, the President replied, "Yes, we need to think about that."

#### COMMENT

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111. (C) We engage with Bogatyrev frequently, because he often has the inside track on what is going to happen next. Over the last six months, Bogatyrev has been absolutely confident of where the country was headed; during this last meeting, it is clear that it's been tougher to get there than he thought it would be, and that he is very frustrated. In January, Bogatyrev thought that everything was going the government's way; now, he is wondering whether the government can stay on course with economic reform without running into major political backlash.

112. (C) We were also struck by his comment that "any random event could cause a problem." We have often said that Kyrgyzstan is not predictable, and that the political structure is more fragile than it appears. Bogatyrev's more cautious statements during this meeting would seem to indicate that he, at least, is coming to believe this as well.

YOVANOVITCH